GOVERNMENT OF ANDHRA PRADESH
ABSTRACT

Industries and Commerce Department – Extension of certain incentives under Industrial Development Policy 2015-20 to M/s. KRIBHCO, for their DAP/Complex Fertilizer plant with a capacity of 11,79,200 MT at Survepally (V), Near Krishnapatnam Port, Nellore District with an investment of Rs.1500 crore and potential to provide employment to 1000 persons – Orders- Issued.

---

**INDUSTRIES & COMMERCE (POLICY & INVESTMENT) DEPARTMENT**

G.O.MS.No. 15 Dated: 11-01-2016
Read the following:-

1. G.O. Ms. No.50, Industries & Commerce(IP) Department, Dated:04.06.2013.
2. From the Managing Director, M/s. KRIBHCO, Ltr. Dt:03.09.2015.
3. Empowered Committee of Secretaries Meeting held on 09.11.2015
4. State Investment Promotion Board Meeting held on 17.11.2015.

>><<

**O R D E R:-**

In the G.O. 1st read above, Government have granted certain incentives to M/s. KRIBHCO under Industrial Investment Promotion Policy 2010-15 for establishment of DAP/complex Fertilizer plant with a capacity of 4000 MTPD at Survepally(v) near Krishnapatnam Port, SPSR Nellore Dist.

2. In the letter 2nd read above, M/s. KRIBHCO informed that now they proposes to setup a DAP/Complex Fertilizer plant of capacity of 11,79,200 MT at Survepally (V), Near Krishnapatnam Port, Nellore District with an investment of Rs.1,500 crore, with a potential to provide employment to 1,000 persons directly and requested for the following special incentives, informing that risk profile of the project has changed substantially due to delay in allotment of land and changes in market dynamics of few raw materials:

(i) 100% VAT waiver for minimum10 years,
(ii) External Infrastructure:
  (a) Approach Road – Widening of the existing 20 ft kachha road from Niduguntapalem Railway Gate to the factory site via Mutyalagunta (v) to 60 ft pacca road, which is about 2.5 KM (Rs.6.60 Crore) and to make the existing 60 ft kaccka road of 1.5 KM from Sarvepalli Crossing to UPI polymers (UPI & APIIC joint road) to pacca road and extension of the same by another 0.5 KM to KRIBHCO site (Rs.2.68 Crore)
  (b) Power - laying of line from 400 KV sub-station at Manubolu, Pidur (V) to KRIBHCO site, which is about 20 KM to get 12 MW of power (Rs.30.44 Crore) which can serve other industries also.
  (c) Water – 0.5 MGD of water from Survepalli Reservoir to the factory through pipeline for about 6 KMs (Rs.1.50 Crore)
(iii) Exemption of Seignorage.
(iv) 100% waiver of NALA charges
(v) Incentives for Swachh Andhra as per IDP 2015-20 policy.
(vi) All other incentives/concession as per IDP 2015-20 policy as applicable for similar mega industry in the state/country

3. In the reference 3rd read above, the Empowered Committee of Secretaries has discussed the proposal of M/s. KRIBHKO, and recommended to SIPC to extend the following incentives:

(i) Reimbursement of 100 % VAT & CST for a period of (7) years from the date of commencement of commercial production or upto realization of 100 % fixed capital investment, whichever is earlier.

Contd...2..

(ii) Reimbursement of 75 % of cost of external infrastructure cost including approach roads, power supply on 132 KV line and pipeline for water supply limited to Rs.(30) crore, since the infrastructure proposed to be provided is not captive for the unit but also serves the units/villages surrounding the area in which the unit is located.
(iii) Reimbursement of 100 % NALA charges.
(iv) All other benefits as per Industrial Development Policy (IDP) 2015-20.

4. In the reference 4th read above, the State Investment Promotion Board (SIPB) have examined the proposal of M/s. KRIBHKO in detail and decided to extend the following incentives:

(i) Reimbursement of 100 % VAT & CST for a period of (7) years from the date of commencement of commercial production or upto realization of 100 % fixed capital investment, whichever is earlier.
(ii) 75 % of cost of external infrastructure including the approach roads, 132 KV Sub-station and power supply line and the pipeline for water supply limited to Rs.(30) crore, or the actuals whichever is less since the infrastructure proposed to be provided is not captive for the unit but also substantially serves the units/villages surrounding the area in which the unit is located.
The assistance towards the above will be paid under the IIDF funds directly to the Government Department, which executes the work.
(iii) Reimbursement of one time land conversion charges under NALA.
(iv) All other benefits as per Industrial Development Policy (IDP) 2015-20.

5. Government after careful examination of the recommendations of the State Investment Promotion Board, hereby decided to extend the following incentives to M/s. KRIBHCO., for their DAP/Complex Fertilizer plant of capacity 4,000 MTPD in two phases at Survepally (V), Near Krishnapatnam Port, Nellore District with an investment of Rs.1,800 crore, with a potential to provide employment to 2,000 persons directly:

(i) Reimbursement of 100 % VAT & CST for a period of (7) years from the date of commencement of commercial production or upto realization of 100 % fixed capital investment, whichever is earlier.
(ii) 75 % of cost of external infrastructure including the approach roads, 132 KV Sub Station and Power Supply line and the Pipeline for water supply reimbursement limited to Rs.(30) crore or the actuals whichever is less, since the infrastructure proposed to be provided is not captive for the unit but also substantially serves the units/villages surrounding the area in which the unit is located. The assistance will be paid under the IIDF funds directly to the Government Department, which executes the work
(iii) Reimbursement of one time land conversion charges under NALA.
(iv) All other benefits as per Industrial Development Policy (IDP) 2015-20, which include:
  (a) 100% stamp duty and transfer duty paid by the industry on purchase of land meant for industrial use.
  (b) Fixed power cost reimbursement @ Rs.1.00 per unit for a period of five years from the date of commencement of commercial production.
  (c) 10 % subsidy on cost of plant & machinery for specific cleaner production measures limited to Rs.35 lakhs, provided the measures are certified by Andhra Pradesh Pollution Control Board (APPCB).
  (d) 25% subsidy for sustainable green measures on total fixed capital investment of the project (excluding cost of land, land development, preliminary and pre-operative expenses and consultancy fees) for below mentioned green measures with a ceiling of Rs.50 crore.

Contd...3..

- Waste water treatment: Constructing effluent treatment plant and sewage treatment plant and using recycled water for industrial purpose especially zero discharge systems.
- Green Buildings: Buildings which obtain green rating under the Indian Green Building Council (IGBC/LEED Certification) or Green Rating for Integrated Habitat Assessment (GRIHA) systems.
- Use of renewable source of power (erecting captive sun, wind and biomass plants etc.)
- Installing Continuous Emission Monitoring System (CEMS) for red category industries. The information should be disseminated continuously to APPCB.
- Adopting rain water harvesting; restoring water bodies by de-silting defunct water bodies.

6. The Director of Industries, Andhra Pradesh, Hyderabad shall take necessary action, accordingly and intimate the status of the progress of work done by the unit from time to time to the Government.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

S.S.RAWAT
SECRETARY TO GOVERNMENT &
COMMISSIONER FOR INDUSTRIAL PROMOTION

To
The Director of Industries, A.P., Hyderabad.
M/s. KRIBHCO, through the Director of Industries, A.P.Hyderabad
The Collector & District Magistrate, Nellore District.
The Zonal Manager, APIIC, Nellore.
The General Manager, District Industries Centre, Nellore.
Copy to:
The Finance (EBS-VIII)Department.
The Revenue (CT) Department.
The Revenue (Registration) Department.
The Energy Department.
The Irrigation (Reforms) Department.
The Law (H) Department.
The Accountant General, Andhra Pradesh, Hyderabad
The Commissioner of Commercial Taxes, Hyderabad
The Chairman & Managing Director, APTRANSCO., Hyderabad
The Managing Director, APSPDC Ltd., Kurnool
The Vice Chairman & Managing Director, APIIC, Hyderabad.
P.S. to Secretary to Chief Minister
P.S. to Chief Secretary to Government
P.S. to Secretary to Government & CIP, Industries & Commerce Dept.
SC/SF.

//FORWARDED :: BY ORDER//

SECTION OFFICER